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**OFFICE OF LEGISLATIVE AFFAIRS  
CORRESPONDENCE ASSIGNMENT**

LA 06-169

ASSIGNED TO:  
LEGAL/DSC-S

DATE: 04/06/2006

CORRESPONDENT: HONORABLE PETER J. VISCLOSKY  
REPRESENTATIVE, U.S. CONGRESS  
(DISTRICT OFFICE)

CONGRESSMAN VISCLOSKY WRITES ON BEHALF OF MR. ROGER CUMMINGS.

IF YOU HAVE ANY QUESTIONS RELATING TO THIS ASSIGNMENT, PLEASE REFER TO DIRECTIVE 1211.2 OR CONTACT THE CORRESPONDENCE UNIT OF THE OFFICE OF LEGISLATIVE AFFAIRS AT 898-7055.

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1ST DISTRICT, INDIANA

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LAD 6-169

**Congress of the United States  
House of Representatives  
Washington, DC 20515-1401**

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INTERNET:  
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March 30, 2006

The Honorable Martin Gruenberg  
Acting Chairman  
Federal Deposit Insurance Corporation  
550 17th Street Northwest  
Washington, D.C. 20429



Dear Chairman Gruenberg:

I write on behalf of Mr. Roger Cummings, a resident of Indiana's First Congressional District.

Mr. Cummings has contacted me to express his opposition to Walmart's application for Federal Deposit Insurance. He is concerned with the effects that approval of this application could have on local banks in small communities. Enclosed, please find a copy of the letter I have received from Mr. Cummings. I would appreciate your addressing his concerns and making his correspondence part of the official comments you receive for the proposed application.

Thank you in advance for your serious consideration of this matter. Do not hesitate to let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter J. Visclosky".

Peter J. Visclosky  
Member of Congress

PJV:msb  
Enclosure

March 21, 2006

Congressman Pete Visclosky  
701 East 83<sup>rd</sup> Avenue, Suite 9  
Merrillville, IN 46410

Sent via Fax 219-795-1850

Dear Congressman Visclosky:

I am writing today to ask you to sign a bi-partisan letter that is circulating in the House this week urging the FDIC to deny Walmart's application for Federal Deposit Insurance for a Utah-based LLC. The deadline for signing the letter is March 22<sup>nd</sup>. I have included a copy of the letter. Please contact Adrienne Rose in Re. Adam Schiff's office at (202-225-4176) to indicate your support.

The attached letter explains the reasons for denying Wal-Mart's application. As the president of Alliance Bank, a community bank in Northwest Indiana, I have seen the affects on small rural communities when they loose their local banks. While our home office is in Francesville we also have offices in Rensselaer, Oxford, Ottorbein, Monon, Monticello and Winamac. If Wal-Mart is able to do to community banks what it has done to local retail businesses in our communities, we will loose community leaders and weaken small communities more.

Thank you for considering this request.

Sincerely,

  
Roger D. Cummings  
2727 E. 450 S.  
Rensselaer, IN 47978  
219-866-7008

Enclosure

March 20, 2006

Mr. Martin Gruenberg  
Vice Chairman  
Federal Deposit Insurance Corporation  
550 17th Street N.W.  
Washington, D.C. 20429

Dear Mr. Gruenberg:

We are writing to ask the FDIC to deny the application by Wal-Mart Stores, Inc., for Federal deposit insurance for a Utah industrial bank.

Granting Wal-Mart an industrial bank charter would violate long-standing U.S. policy, most recently reaffirmed in the Gramm-Leach-Bliley Act of 1999, of maintaining the separation of banking and commerce. This policy is essential to maintaining the integrity and competitiveness of the financial system, especially the payments system.

Wal-Mart plans to use its industrial bank to process billions of dollars of credit card, check, and other payments. The nation's payments system is a keystone of our economic stability and prosperity. Unfortunately, as an industrial bank, the Wal-Mart bank would not be subject to the kind of regulatory supervision that is vital to maintain the health of that system.

Wal-Mart's plan to independently process certain payments could threaten the stability of the nation's payments system. Given Wal-Mart's massive scope and international dealings, it is not possible to rule out a financial crisis within the company that could damage the bank and severely disrupt the flow of payments throughout the financial system.

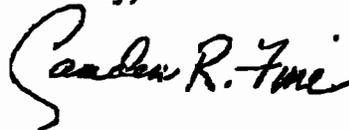
We are also concerned about the potential risk or loss to the FDIC insurance fund. The risks are especially significant because, as an industrial bank, ~~Wal-Mart Bank would be exempt from the Bank Holding Company Act~~ which imposes critical ownership and transaction limitations, and provides for consolidated supervision by the Federal Reserve at the ownership level. Unlike other banking organizations, the Federal Reserve would have no authority to regulate Wal-Mart as the parent company of Wal-Mart Bank. Without proper regulatory oversight, an industrial bank owner may put the solvency of both the bank and parent at risk.

Industrial banks are regulated by the FDIC, but a recent Government Accountability Office report noted that the FDIC does not have the same powers to oversee a holding company's operations as does the Federal Reserve. The Federal Reserve has the authority to examine the bank holding company itself and any of its non-bank subsidiaries at any time, while the FDIC is generally unable to examine affiliates of banks.

The Federal Reserve can also establish consolidated capital requirements to ensure that OWNERS are a source of financial strength for the subsidiary bank. Corporate parents of industrial banks are not subject to these critical capital requirements.

For all of these reasons, the undersigned urge the FDIC to deny Wal-Mart's application for Federal deposit insurance.

Sincerely,



Camden R. Fino  
President & CEO